

Industrial Commission

Analyst: Smith

Historical Summary

OPERATING BUDGET	FY 2019 Total App	FY 2019 Actual	FY 2020 Approp	FY 2021 Request	FY 2021 Gov Rec
BY PROGRAM					
Compensation	6,935,600	6,131,400	6,459,600	16,108,500	16,017,000
Rehabilitation	4,145,000	3,801,100	4,261,500	4,472,800	4,330,500
Crime Victims Compensation	4,684,900	3,651,900	4,893,800	5,573,600	5,546,300
Adjudication	2,563,000	2,437,600	2,482,300	0	0
Total:	18,328,500	16,022,000	18,097,200	26,154,900	25,893,800
BY FUND CATEGORY					
General	300,000	102,700	300,000	300,000	294,000
Dedicated	16,828,500	14,719,300	16,597,200	24,654,900	24,399,800
Federal	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
Total:	18,328,500	16,022,000	18,097,200	26,154,900	25,893,800
Percent Change:		(12.6%)	13.0%	44.5%	43.1%
BY OBJECT OF EXPENDITURE					
Personnel Costs	9,922,200	9,431,500	9,657,900	10,149,600	9,902,300
Operating Expenditures	2,740,400	2,365,600	3,513,800	10,743,900	10,784,700
Capital Outlay	824,700	560,100	84,300	249,700	201,100
Trustee/Benefit	4,841,200	3,664,800	4,841,200	5,011,700	5,005,700
Total:	18,328,500	16,022,000	18,097,200	26,154,900	25,893,800
Full-Time Positions (FTP)	138.25	138.25	132.25	133.25	133.25

Department Description

The Industrial Commission was established in 1918 to ensure the Idaho's Workers' Compensation Law is impartially and efficiently administered. The commission encourages safe working environments, prompt and accurate benefit payments, timely dispute resolution, and vocational rehabilitation services.

The COMPENSATION PROGRAM includes employer compliance, benefits administration, and management services. The program evaluates property and casualty insurers applying to write workers' compensation insurance and employers requesting to become self-insured; ensures that adequate securities are held in the state treasury to pay outstanding workers' compensation liabilities in case of insolvency; enforces the requirements of the workers' compensation law to ensure timely, accurate payment to injured workers; ensures that employers are providing statutory coverage to all eligible workers; and resolves disputes between claimants, insurers, and employers on non-litigated claims. Statutory Authority: Chapter 5, Title 72, Idaho Code.

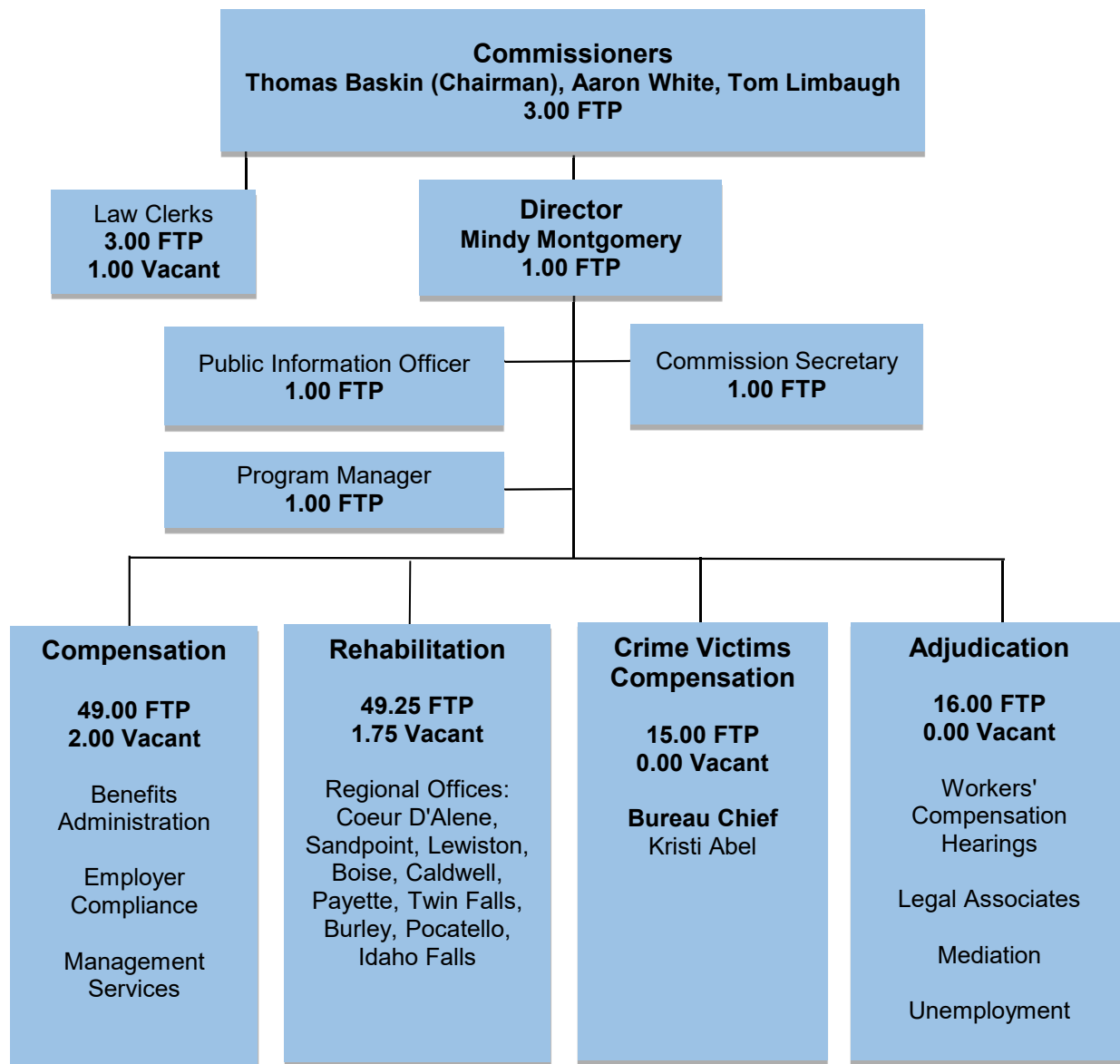
The REHABILITATION PROGRAM was created in 1978 by the Legislature to reduce the duration of temporary disability resulting from an industrial injury. To the extent possible, this program strives to help injured workers obtain employment at a wage that is comparable to their pre-injury status. Consultants serve injured workers from 10 field offices across the state. Statutory Authority: Section 72-501A, Idaho Code

The CRIME VICTIMS COMPENSATION PROGRAM was established in 1986 to provide financial assistance to innocent victims of crime. Benefits are paid for costs such as medical and mental health care, examinations, funeral expenses, and lost wages that result from a crime, up to a maximum of \$25,000 per victim, per crime. Benefits are not payable for property damage. Funding comes from fines and penalties assessed on criminal convictions and a federal grant. Certain restitution and prison payment programs are also directed to the fund. Statutory Authority: Chapter 10, Title 72, Idaho Code.

The ADJUDICATION PROGRAM includes three commissioners appointed by the Governor whose staff hear and adjudicate disputed worker's compensation claims, unemployment insurance appeals, medical fee disputes, and disputed determinations made by the Crime Victims Compensation Program. Statutory Authority: Chapter 5, Title 72, Idaho Code.

Industrial Commission Organizational Chart

Analyst: Smith



Total Authorized FTP: 132.25
Vacant FTP: 4.75
(as of 12/1/2019)

LSO Open Audit Finding Report can be found here:
<https://legislature.idaho.gov/lso/audit/management-followup/>

Performance Report can be found here:
<https://dfm.idaho.gov/publications/bb/perfreport/>

Adjudication

1. In FY 2019, the Commission's average age of pending unemployment insurance appeals during the federally-designated measuring month of March was 20 days—twice as prompt as the 40 day federal standard.

Compensation – Benefits

1. The Benefits Department co-hosted a series of three (3) educational sessions related to opioids in partnership with the Idaho Office of Drug Policy.
2. The Benefits Department hosted an Electronic Data Interchange (EDI) Claims Release 3.0 educational workshop for trading partners.
3. Six (6) Certified Idaho Workers' Compensation Specialist (CIWCS) programs were held in Boise, Post Falls, and Blackfoot; 87 new certifications and 17 re-certifications were issued.

Compensation – Employer Compliance

1. The Commission updated reciprocal procedures with surrounding states to now include an "Intermittent" Extraterritorial Certificate category. The category covers work that begins and ends in the worker's home state while spending less than 50% of their total work time in the reciprocating state.
2. 220,549 unemployment wage records were processed in FY 2019 resulting in 165,958 policies obtained to cover Idaho employers.
3. 2,142 employers obtained insurance as a result of being contacted by an Employer Compliance Investigator, resulting in coverage for 20,212 Idaho workers.

Rehabilitation

1. Rehabilitation Consultants throughout the state participated in community events to market their services. They made contact with new employers, medical providers, and other community resource groups to educate them on the many benefits of utilizing Rehabilitation Division services.
Additional highlights from the Rehabilitation Division include:
 - Of the 2,060 cases referred in FY 2019, consultants provided assistance and successfully rehabilitated 1,388 injured workers, an increase from FY 2018.
 - Eligibility was determined in less than 4 business days from the date of referral to the Rehabilitation Division.
2. Each region of the state developed a comprehensive marketing plan designed to reach out to various parties in an effort to diversify referral resources.

Crime Victims Compensation Program

1. Program staff provided extensive outreach to sexual assault forensic examination providers regarding changes to billing requirements and to ensure victims of sexual assault are not billed for forensic examinations.
2. The Crime Victims Compensation Program successfully completed Department of Justice audits/site visits. The program created detailed policies and procedures related to documentation requirements and grant management, which resulted in resolution of audit findings and successful closure of the audits.

Part II – Performance Measures

Performance Measure		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Agency Goal 1						
<i>Enforce the statutory and regulatory requirements of the Idaho Workers' Compensation Law</i>						
1. Number of employers who obtained insurance as a result of Employer Compliance investigation.	actual	1,726	1,821	1,816	2,142	-----
	target	1,800	1,700	1,700	1,700	2,000

Performance Measure		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Agency Goal 2						
<i>Provide timely dispute resolution arising out of workers' compensation, unemployment appeals, and crime victims compensation cases</i>						
2. Issue workers' compensation decisions within an average of 90 days from date of final submission.	actual	73	82	144*	89	-----
	target	< 90 day average	< 90 day average	< 90 day average	<90 day average	<90 day average
3. Successfully resolve 90% of mediated workers' compensation cases.	actual	96.7%	96.3%	95.6%	95.1%	-----
	target	90% resolved	90% resolved	90% resolved	90% resolved	90% resolved
4. Average age of pending unemployment appeals at less than 40 days.	actual	23	9	22	20	-----
	target	< 40 day average	< 40 day average	< 40 day average	<40 day average	<40 day average
Agency Goal 6						
<i>Provide vocational rehabilitation services focused on restoring injured workers to gainful employment and minimizing loss for employers</i>						
5. Percentage of rehabilitation cases returned to pre-injury employment/wage.	actual	73.83%	74.41%	70%	70.75%	-----
	target	60%	60%	60%	60%	65%
6. Percentage of rehabilitated workers maintaining at least 90 percent of their pre-injury status and wage.	actual	94.65%	93.66%	93%	92.51%	-----
	target	90%	90%	90%	90%	90%
Crime Victims Compensation Division Goal 1						
<i>Administer benefits in a timely and efficient manner</i>						
7. Determine eligibility of CV applications within 30 days of receipt of required documentation.	actual	35	39	45	27	-----
	target	<30 days	<30 days	< 30 days	< 30 days	< 30 days
8. Pay eligible victims claims within 120 days of the date the application was received.	actual	206	180	146	137	-----
	target	<120 days	<120 days	< 120 days	< 120 days	< 120 days
9. Maintain a benefit utilization rate of 72% on crime victims' cases.	actual	56%	63%	58%	63%	-----
	target	72%	72%	72%	72%	72%

Performance Measure Explanatory Notes

- Due to an unforeseen absence in FY 2018 and an unwillingness of parties to allow for case reassignment, the average workers' compensation decisions timeframe to issuance shifted up to a 144 day average. This was an outlier, and the issue has been rectified. It is anticipated to return to its trend of <90 days in FY 2019.

For More Information Contact

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Idaho Legislative Services Office
Legislative Audits Division

IDAHO INDUSTRIAL COMMISSION

April Renfro, Manager

SUMMARY

PURPOSE OF MANAGEMENT REVIEW

We conducted a management review of the Idaho Industrial Commission (Commission) covering the fiscal years ended June 30, 2015, 2016, and 2017. Our review covered general administrative procedures and accounting controls to determine that activities are properly recorded and reported.

The intent of this review was not to express an opinion but to provide general assurance on internal controls and to raise the awareness of management and others of any conditions and control weaknesses that may exist and offer recommendations for improvement.

CONCLUSION

We identified deficiencies in the general administrative and accounting controls of the Commission.

FINDINGS AND RECOMMENDATIONS

There is one finding and recommendation in this report.

Finding 1 – Estimates used to determine the allowance for doubtful accounts reported at year-end for restitution receivable have not been properly reviewed, resulting in consistently overstated doubtful account reporting.

The complete finding is detailed on page 1 of this report.

PRIOR FINDINGS AND RECOMMENDATIONS

There were no findings and recommendations in the prior report.

AGENCY RESPONSE

The Commission has reviewed the report and is in general agreement with the contents.

FINANCIAL INFORMATION

The following fiscal year 2017 financial data is for informational purposes only.

Fund No.	Fund Title	Beginning			Ending
		Appropriation/ Cash Balance	Receipts/ Transfers-In	Disbursements/ Transfers-Out	Appropriation/ Cash Balance
0300	Industrial Administration Fund	\$1,992,877	\$11,933,526	\$12,104,903	\$1,821,500
0312	Peace & Detention Officer Temporary Disability Fund	1,061,075	142,806	621	1,203,260
0313	Crime Victim Compensation Fund	2,089,375	2,407,302	2,755,627	1,741,050
0348	Federal Fund	31,792	800,000	831,792	
0349	Miscellaneous Revenue Fund	121,042	44,855	36,101	129,796
0519	Industrial Special Indemnity Fund		4,621,884	4,621,884	
	Total	\$5,296,161	\$19,950,373	\$20,350,928	\$4,895,606

Industrial Commission

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FY 2019 Actual Expenditures by Division

		FTP	PC	OE	CO	T/B	LS	Total
0.30	FY 2019 Original Appropriation							
0001-00	Gen	0.00	0	0	0	300,000	0	300,000
0300-00	Ded	125.25	9,064,600	2,313,900	117,500	1,185,100	0	12,681,100
0312-00	Ded	0.00	8,300	3,800	0	156,100	0	168,200
0313-00	Ded	13.00	849,300	231,800	5,700	2,000,000	0	3,086,800
0349-00	Ded	0.00	0	45,000	0	0	0	45,000
0348-00	Fed	0.00	0	0	0	1,200,000	0	1,200,000
Totals:		138.25	9,922,200	2,594,500	123,200	4,841,200	0	17,481,100
0.43	Supplementals							
0300-00	Ded	0.00	0	132,800	616,500	0	0	749,300
0313-00	Ded	0.00	0	13,100	85,000	0	0	98,100
Totals:		0.00	0	145,900	701,500	0	0	847,400
1.00	FY 2019 Total Appropriation							
0001-00	Gen	0.00	0	0	0	300,000	0	300,000
0300-00	Ded	125.25	9,064,600	2,446,700	734,000	1,185,100	0	13,430,400
0312-00	Ded	0.00	8,300	3,800	0	156,100	0	168,200
0313-00	Ded	13.00	849,300	244,900	90,700	2,000,000	0	3,184,900
0349-00	Ded	0.00	0	45,000	0	0	0	45,000
0348-00	Fed	0.00	0	0	0	1,200,000	0	1,200,000
Totals:		138.25	9,922,200	2,740,400	824,700	4,841,200	0	18,328,500
1.41	Receipt to Appropriation							
0300-00	Ded	0.00	0	300	5,400	0	0	5,700
Totals:		0.00	0	300	5,400	0	0	5,700
1.61	Reverted Appropriation							
0001-00	Gen	0.00	0	0	0	(197,300)	0	(197,300)
0300-00	Ded	0.00	(467,500)	(327,500)	(253,500)	(74,700)	0	(1,123,200)
0312-00	Ded	0.00	(6,700)	(3,400)	0	(139,800)	0	(149,900)
0313-00	Ded	0.00	(16,500)	(38,100)	(16,500)	(764,600)	0	(835,700)
0349-00	Ded	0.00	0	(6,100)	0	0	0	(6,100)
0348-00	Fed	0.00	0	0	0	0	0	0
Totals:		0.00	(490,700)	(375,100)	(270,000)	(1,176,400)	0	(2,312,200)

Industrial Commission

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FY 2019 Actual Expenditures by Division

		FTP	PC	OE	CO	T/B	LS	Total
2.00 FY 2019 Actual Expenditures								
0001-00	Gen	0.00	0	0	0	102,700	0	102,700
General			0	0	0	102,700	0	102,700
0300-00	Ded	125.25	8,597,100	2,119,500	485,900	1,110,400	0	12,312,900
Industrial Administration			8,597,100	2,119,500	485,900	1,110,400	0	12,312,900
0312-00	Ded	0.00	1,600	400	0	16,300	0	18,300
Peace Officer and Detention Officer Temporary Disability			1,600	400	0	16,300	0	18,300
0313-00	Ded	13.00	832,800	206,800	74,200	1,235,400	0	2,349,200
Crime Victims Compensation			832,800	206,800	74,200	1,235,400	0	2,349,200
0349-00	Ded	0.00	0	38,900	0	0	0	38,900
Miscellaneous Revenue			0	38,900	0	0	0	38,900
0348-00	Fed	0.00	0	0	0	1,200,000	0	1,200,000
Federal Grant			0	0	0	1,200,000	0	1,200,000
Totals:		138.25	9,431,500	2,365,600	560,100	3,664,800	0	16,022,000

Difference: Actual Expenditures minus Total Appropriation

0001-00	Gen		0	0	0	(197,300)	0	(197,300)
General			N/A	N/A	N/A	(65.8%)	N/A	(65.8%)
0300-00	Ded		(467,500)	(327,200)	(248,100)	(74,700)	0	(1,117,500)
Industrial Administration			(5.2%)	(13.4%)	(33.8%)	(6.3%)	N/A	(8.3%)
0312-00	Ded		(6,700)	(3,400)	0	(139,800)	0	(149,900)
Peace Officer and Detention Officer Temporary Disability			(80.7%)	(89.5%)	N/A	(89.6%)	N/A	(89.1%)
0313-00	Ded		(16,500)	(38,100)	(16,500)	(764,600)	0	(835,700)
Crime Victims Compensation			(1.9%)	(15.6%)	(18.2%)	(38.2%)	N/A	(26.2%)
0349-00	Ded		0	(6,100)	0	0	0	(6,100)
Miscellaneous Revenue			N/A	(13.6%)	N/A	N/A	N/A	(13.6%)
0348-00	Fed		0	0	0	0	0	0
Federal Grant			N/A	N/A	N/A	0.0%	N/A	0.0%
Difference From Total Approp			(490,700)	(374,800)	(264,600)	(1,176,400)	0	(2,306,500)
Percent Diff From Total Approp			(4.9%)	(13.7%)	(32.1%)	(24.3%)	N/A	(12.6%)

Industrial Commission

Analyst: Smith

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2020 Original Appropriation	132.25	300,000	18,097,200	132.25	300,000	18,097,200
1. Industrial/Logging Safety Programs	0.00	0	283,800	0.00	0	283,800
Sick Leave Rate Reduction	0.00	0	0	0.00	0	(21,700)
1% Onetime General Fund Reduction	0.00	0	0	0.00	(3,000)	(3,000)
FY 2020 Total Appropriation	132.25	300,000	18,381,000	132.25	297,000	18,356,300
Removal of Onetime Expenditures	0.00	0	(736,300)	0.00	0	(736,300)
Base Adjustments	(1.00)	0	0	(1.00)	0	0
Restore Ongoing Rescissions	0.00	0	0	0.00	3,000	24,700
FY 2021 Base	131.25	300,000	17,644,700	131.25	300,000	17,644,700
Benefit Costs	0.00	0	281,900	0.00	0	(47,800)
Replacement Items	0.00	0	245,200	0.00	0	196,600
Statewide Cost Allocation	0.00	0	800	0.00	0	800
Change in Employee Compensation	0.00	0	77,300	0.00	0	153,800
FY 2021 Program Maintenance	131.25	300,000	18,249,900	131.25	300,000	17,948,100
1. Business and Technology Modernization	0.00	0	7,768,000	0.00	0	7,768,000
2. Program Analyst/Auditor FTP	1.00	0	77,700	1.00	0	77,000
3. Technical Records Spec. FTP	1.00	0	59,300	1.00	0	58,100
4. Combine Two Budgeted Programs	0.00	0	0	0.00	0	0
5. Commissioner CEC	0.00	0	0	0.00	0	7,800
OITS 1 - Operating Costs	0.00	0	0	0.00	0	1,800
OITS 2 - Servers and Licensing	0.00	0	0	0.00	0	38,900
OITS 4 - Agency Billings	0.00	0	0	0.00	0	100
2% General Fund Reduction & Exemptions	0.00	0	0	0.00	(6,000)	(6,000)
FY 2021 Total	133.25	300,000	26,154,900	133.25	294,000	25,893,800
Change from Original Appropriation	1.00	0	8,057,700	1.00	(6,000)	7,796,600
% Change from Original Appropriation		0.0%	44.5%		(2.0%)	43.1%

Industrial Commission

Analyst: Smith

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2020 Original Appropriation					
The Legislature funded seven line items for FY 2020: These included \$256,100 for delayed relocation contingency funding; 1.00 FTP and \$57,500 for a crime victims claims examiner; 1.00 FTP and \$63,300 for an employer compliance investigator; \$270,000 to convert to digital archives; \$20,000 for cybersecurity software; \$11,400 for a CEC for Commissioners; and a reduction of 8.00 FTP and \$327,300 for technology consolidation and modernization.					
	132.25	300,000	16,597,200	1,200,000	18,097,200

1. Industrial/Logging Safety Programs

Compensation

The Industrial Commission requests a supplemental appropriation of \$283,800 in trustee and benefits payments from the Industrial Administration Fund to cover an anticipated funding shortfall for the Industrial Safety and Logging Safety Programs administered by the Division of Building Safety. Pursuant to Section 72-519, Idaho Code, the Industrial Commission provides pass-through funds under a written agreement with the Division of Building Safety for administering logging safety inspections and training and conducting inspections of state public buildings and public school facilities. The Industrial Commission's appropriation to fund the Division of Building Safety's Industrial Safety and Logging Safety Programs has not increased since FY 2015. Additional appropriation is requested for FY 2020 to reimburse the Division of Building Safety for costs that have increased since that time such as changes in employee compensation and equipment maintenance and replacement. Of the total amount, \$113,300 is requested on a onetime basis to reimburse the cost of replacement items for the Division of Building Safety in the current fiscal year. The remaining \$170,500 is requested ongoing to match the Division of Building Safety's FY 2021 budget request for the Industrial Safety and Logging Safety Programs. This is intended to meet the Division of Building Safety's anticipated cash shortfall in the current fiscal year and provide sufficient revenue for FY 2021 as well.

Agency Request	0.00	0	283,800	0	283,800
Governor's Recommendation	0.00	0	283,800	0	283,800

Sick Leave Rate Reduction

Agency Request	0.00	0	0	0	0
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The Governor recommends a six-month reduction of funding for employers who contribute to the PERSI-managed sick leave plan. This reduction will begin to draw down the reserve balance, which has grown significantly during the past several years.

Governor's Recommendation	0.00	0	(21,700)	0	(21,700)
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1% Onetime General Fund Reduction

Crime Victims Compensation

Agency Request	0.00	0	0	0	0
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The Governor recommends a onetime 1% General Fund rescission.

Governor's Recommendation	0.00	(3,000)	0	0	(3,000)
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FY 2020 Total Appropriation

Agency Request	132.25	300,000	16,881,000	1,200,000	18,381,000
Governor's Recommendation	132.25	297,000	16,859,300	1,200,000	18,356,300

Removal of Onetime Expenditures

This action removes onetime amounts appropriated in FY 2020 before calculating the FY 2021 Base. Amounts removed include the onetime portion of the FY 2020 supplemental request (\$113,300), onetime replacement items (\$78,600), and onetime portions of line items (\$544,400).

Agency Request	0.00	0	(736,300)	0	(736,300)
Governor's Recommendation	0.00	0	(736,300)	0	(736,300)

Industrial Commission

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Base Adjustments		Compensation, Rehabilitation			
This action transfers \$71,300 in personnel costs from the Rehabilitation Program to the Compensation Program to align agency funding with staff workload distribution between the two programs. This action also removes 1.00 FTP from the Rehabilitation Program. The Compensation Program has sufficient FTP authorization to support this shift.					
Agency Request	(1.00)	0	0	0	0
Recommended by the Governor.					
Governor's Recommendation	(1.00)	0	0	0	0
Restore Ongoing Rescissions					
Agency Request	0.00	0	0	0	0
The Governor recommends restoration of the 1% General Fund rescission and sick leave rate reduction.					
Governor's Recommendation	0.00	3,000	21,700	0	24,700
FY 2021 Base					
Agency Request	131.25	300,000	16,144,700	1,200,000	17,644,700
Governor's Recommendation	131.25	300,000	16,144,700	1,200,000	17,644,700
Benefit Costs					
Employer-paid benefit changes include an 18.9% increase (or \$2,200 per eligible FTP) for health insurance, bringing the total appropriation to \$13,850 per FTP. Also included are a one-year elimination of the unemployment insurance rate, a restoration of the Division of Human Resources rate, and adjustments to workers' compensation that vary by agency.					
Agency Request	0.00	0	281,900	0	281,900
The Governor recommends no increase for health insurance due to fewer claims than expected and changes to federal tax policies; a one-year elimination of the sick leave rate and the unemployment insurance rate; restoration of the Division of Human Resources rate; and adjustments for workers' compensation rates.					
Governor's Recommendation	0.00	0	(47,800)	0	(47,800)
Replacement Items					
The agency requests \$245,200 in onetime capital outlay from the Industrial Administration Fund for the following replacement items: \$98,900 for office furniture, \$97,700 for desktop and laptop computers, and \$48,600 for two vehicles for the Rehabilitation Program's regional offices.					
Agency Request	0.00	0	245,200	0	245,200
The Governor does not recommend replacement vehicles at this time as he is considering a more comprehensive fleet management system.					
Governor's Recommendation	0.00	0	196,600	0	196,600
Statewide Cost Allocation					
This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. Attorney General fees will decrease by \$9,800, risk management costs will increase by \$1,900, State Controller fees will increase by \$8,600, and State Treasurer fees will increase by \$100, for a net increase of \$800.					
Agency Request	0.00	0	800	0	800
Governor's Recommendation	0.00	0	800	0	800
Change in Employee Compensation					
For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.					
Agency Request	0.00	0	77,300	0	77,300
The Governor recommends a 2% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions.					
Governor's Recommendation	0.00	0	153,800	0	153,800

Industrial Commission

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2021 Program Maintenance					
Agency Request	131.25	300,000	16,749,900	1,200,000	18,249,900
Governor's Recommendation	131.25	300,000	16,448,100	1,200,000	17,948,100

1. Business and Technology Modernization

Compensation, Crime Victims Compensation

The Industrial Commission requests a total of \$7,768,000 from dedicated funds for a Business and Technology Modernization project. Of the amount requested, \$7,470,000 is onetime and \$298,000 is ongoing. The costs would be split between two of the commission's programs and their respective dedicated funds as follows: Compensation (\$6,852,300) and Crime Victims Compensation (\$915,700). The modernization would eliminate much of the paper-based processes and record-keeping in the agency and allow for electronic filing, which would mirror the process used by the courts. The project's goals are to upgrade all business applications, establish web portals that allow authenticated parties to submit and retrieve documents securely, allow crime victims to electronically apply for benefits, allow injured workers or their representation to electronically file complaints for workers compensation cases, and create an electronic document repository that will replace microfilm archiving.

Agency Request	0.00	0	7,768,000	0	7,768,000
Governor's Recommendation	0.00	0	7,768,000	0	7,768,000

2. Program Analyst/Auditor FTP

Compensation

This request includes 1.00 FTP, \$75,400 in ongoing personnel costs, and \$2,300 in onetime capital outlay from the Industrial Administration Fund to hire a program analyst/auditor and provide a computer and workstation for the new employee. This position will review workers' compensation benefits payments for timeliness and accuracy. The Industrial Commission is required by administrative rule to perform periodic audits, which the agency fulfills through three levels of review. With the implementation of electronic claims filing in November 2017, the agency reports increased data quality and decreased manual data entry, enabling the agency to provide more regulatory oversight of insurance carriers and employers. This position would focus on the two highest levels of review: 1) routine, periodic reviews of insurance carriers and employers; and 2) on-site audits for escalated claims issues and follow-up where there have been previous audit findings. One employee currently conducts quality assurance checks and audits of benefit claim data, and the agency requests an additional position to review the nearly 400 insurance carriers and self-insured employers in the state and roughly 35,000 workers compensation claims submitted annually.

Agency Request	1.00	0	77,700	0	77,700
<i>Recommended by the Governor with changes for benefits and compensation.</i>					
Governor's Recommendation	1.00	0	77,000	0	77,000

3. Technical Records Spec. FTP

Compensation

This request includes 1.00 FTP, \$57,100 in ongoing personnel costs, and \$2,200 in onetime capital outlay from the Industrial Administration Fund to hire a technical records specialist and provide the new employee with a computer and workstation. This position will support the program analyst/auditor requested in line item 2 by providing first-level review of workers compensation claims for timeliness and accuracy. The two related positions requested in line items 2 and 3 are intended to review and audit a larger volume of claims than the agency has historically reviewed, pursue corrective action, and share information with the agency's existing claims administrators to prevent untimely and underpaid benefits to injured workers in the state.

Agency Request	1.00	0	59,300	0	59,300
<i>Recommended by the Governor with changes for benefits and compensation.</i>					
Governor's Recommendation	1.00	0	58,100	0	58,100

Industrial Commission

Analyst: Smith

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
4. Combine Two Budgeted Programs		Compensation, Adjudication			
The Industrial Commission requests to consolidate two of its budgeted programs, including a net-zero transfer of 21.00 FTP and a total of \$2,568,700 from the Industrial Administration Fund to combine the Adjudication Program and Compensation Program. The two programs share a single dedicated fund source and share the statutory function of administering the Idaho Workers Compensation Law. The agency has had four budgeted programs since 1993. Two the of the budgeted programs, Rehabilitation and Crime Victims Compensation, are established as separate divisions within the agency in Idaho Code (Section 72-501A, Idaho Code, and Chapter 10, Title 72, Idaho Code, respectively). However, the Compensation Program and Adjudication Program are not established as separate divisions in code. The agency's reasons for requesting the consolidation are to simplify budgeting and accounting since the programs share a funding source and an office location at the Chinden Campus for which the two programs share operating costs. Additionally, consolidation would enable upcoming salary savings that will occur due to retirements in Adjudication to be utilized for reclassification and pay increases to employees in Compensation, which are needed for employee retention and to update job descriptions that will become more technical with the planned technology modernization.					
Agency Request	0.00	0	0	0	0
Recommended by the Governor with changes for benefits and compensation.					
Governor's Recommendation	0.00	0	0	0	0
5. Commissioner CEC		Adjudication			
Agency Request	0.00	0	0	0	0
The Governor recommends a 2% salary increase for commissioners. This increases the annual salary from \$107,141 to \$109,284. Legislation is required to make this change.					
Governor's Recommendation	0.00	0	7,800	0	7,800
OITS 1 - Operating Costs		Compensation, Crime Victims Compensation			
Agency Request	0.00	0	0	0	0
The Governor recommends this agency's share of ongoing funding to pay the Office of Information Technology Services for security software and data center office space located at the Chinden Campus.					
Governor's Recommendation	0.00	0	1,800	0	1,800
OITS 2 - Servers and Licensing		Compensation, Crime Victims Compensation			
Agency Request	0.00	0	0	0	0
The Governor recommends this agency's onetime share of funding for software licensing, server infrastructure, and storage to expand system capabilities on core systems and to maintain agency-specific software.					
Governor's Recommendation	0.00	0	38,900	0	38,900
OITS 4 - Agency Billings		Compensation			
Agency Request	0.00	0	0	0	0
The Governor recommends increases to certain agency budgets where OITS billings were in excess of the current year appropriation.					
Governor's Recommendation	0.00	0	100	0	100
2% General Fund Reduction & Exemptions		Crime Victims Compensation			
Agency Request	0.00	0	0	0	0
The Governor recommends a 2% ongoing General Fund reduction across all object codes. To accomplish this reduction the Governor also recommends an exemption from Section 67-3511 (1), (2), and (3), Idaho Code, allowing unlimited transfers of all appropriated moneys among personnel costs, operating expenditures, capital outlay, and trustee and benefit payments, as well as between budgeted programs. This exemption requires legislative approval.					
Governor's Recommendation	0.00	(6,000)	0	0	(6,000)
FY 2021 Total					
Agency Request	133.25	300,000	24,654,900	1,200,000	26,154,900
Governor's Recommendation	133.25	294,000	24,399,800	1,200,000	25,893,800

Industrial Commission

Analyst: Smith

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Agency Request					
Change from Original App	1.00	0	8,057,700	0	8,057,700
% Change from Original App	0.8%	0.0%	48.5%	0.0%	44.5%
Governor's Recommendation					
Change from Original App	1.00	(6,000)	7,802,600	0	7,796,600
% Change from Original App	0.8%	(2.0%)	47.0%	0.0%	43.1%